

China: Agriculture in Transition. Hsin-Hui Hsu and Fred Gale, coordinators.
Market and Trade Economics Division, Economic Research Service,
U.S. Department of Agriculture, Agriculture and Trade Report. WRS-01-2.

Abstract

With China's accession to the WTO expected in early 2002, the Chinese grain sector faces pressure from both external competition and internal shifts in consumer preferences that could reshape the industry. Following China's WTO accession, imports of wheat, soybeans, vegetable oils, and cotton are likely to rise. China's rice exports may rise while its corn exports will likely fall. China's huge appetite for soybeans to feed its emerging livestock and edible oils industries continues to grow. China's livestock sector is internationally competitive in terms of production costs, but sanitary issues limit export opportunities. Surging textile and apparel exports boosted demand for cotton and encouraged farmers to increase cotton acreage in recent years. In the long run, continued rapid growth and openness to trade in China will simulate demand for food and fiber, but stagnant rural incomes and growing regional inequality temper optimism.

Acknowledgements

The authors and editors thank Mark Ash, William Coyle, Praveen Dixit, John Dyck, Joy Harwood, Sophia Huang, William Kost, Stephen MacDonald, Suresh Persaud, Randall Schnepf, Matt Shane, and Leland Southard of the Economic Research Service (ERS), as well as Carol Goodloe of the Office of Chief Economist, and Gerald Bange, Gerald Rector, and Shayle Shagam of the World Agricultural Outlook Board, for their timely reviews and helpful suggestions. Appreciation is also extended to the Foreign Agricultural Service for supporting ERS's research program and data collection in China through the Emerging Market Program. Special thanks are extended to John Weber, for editorial assistance, and Wynnic Pointer-Napper for design assistance.

1800 M Street, NW
Washington, DC 20036-5831

November 2001



CHINA